

# EVERYONE WINS

More money for K-12 education. More recreational access to state parcels. What's not to love about Montana's new Land Banking Program? BY TOM DICKSON

For years, hunters, anglers, and other recreationists have pulled their hair out over not being able to recreate on certain state school trust fund lands. The parcels, established more than a century ago to generate revenue for Montana education, are open to public recreation. Unfortunately, roughly one-third are surrounded by private property, making them nearly inaccessible.

A new state program, administered by the Montana Department of Natural Resources and Conservation (DNRC), is helping alleviate that frustration. Authorized overwhelmingly by the Montana legislature in 2003, the Land Banking Program sells school trust lands, primarily isolated tracts, then uses the proceeds to buy new parcels that are not only accessible for public recreation but also generate more revenue for education. "It's a terrific win-win situation," says Governor Brian Schweitzer.

Recent trust land sales and acquisitions in Custer County demonstrate how the program works. In 2007, the DNRC sold more than 9,000 isolated acres in that county and used the proceeds from those and other land sales elsewhere in the state to purchase the Tongue River Ranch, located 15 miles southwest of Miles City. The 18,554-acre prairie ranch, acquired in cooperation with Montana Fish, Wildlife & Parks and with financial assistance from Pheasants Forever, includes 1,280 acres of previously inaccessible state

trust land and 1,145 acres leased from the Bureau of Land Management. The river breaks landscape provides habitat for mule deer, pronghorn, sharp-tailed grouse, pheasants, wild turkeys, raptors, and songbirds. The ranch abuts two conservation easements purchased by FWP that contain an additional 20,000 acres along the Tongue River, says John Ensign, FWP area wildlife manager.

The Tongue, winding for 5 miles along the property's southeastern border, supports channel catfish, smallmouth bass, walleyes, sauger, and shovelnose sturgeon. A new fish passageway recently built a few miles downstream at 12-Mile Diversion Dam will improve populations by allowing fish to move up and down the Tongue and gain access to habitat that has been cut off for decades.

Rick Stohmyer, area manager for the DNRC's eastern land office in Miles City, says the property's high-bench pasture gives

way to rugged badland breaks that descend to rich prairie riparian habitat. "In the breaks, the view changes constantly as you go behind one hill and discover hidden canyons. Down along the river are great undercut limestone cliffs uncommon in this part of the state," Stohmyer says. "I'm sure parts of this ranch look like they did 100 years ago."

Montana's school trust lands were established in 1889, when Congress passed the Enabling Act. The legislation granted federal land—usually sections 16 and 36 in each township—to several western states for generating revenue for public education. Montana holds 5.2 million surface acres in school trust lands. The DNRC leases the parcels primarily for agriculture, grazing, timber harvest, and oil and natural gas extraction. More than 90 percent of the proceeds goes to support K-12 education statewide.

For decades, public access to school trust lands was up to those who leased the parcels. "In many cases, lessees did not allow hunting except by friends or family members," says FWP director Jeff Hagener, who worked for the DNRC in the 1980s and '90s. Hagener says the 1991 State Land Recreation Use Law opened all state school trust lands to public use, "but there was still the problem with isolated parcels." After the Montana Board of Land Commissioners began discussing selling isolated parcels and

reinvesting the proceeds into other lands, the state legislature authorized the DNRC to sell up to 100,000 acres. Lawmakers directed the agency to sell parcels in the same counties where it buys parcels so communities don't lose revenue when property is taken off the tax rolls. Tom Schultz, Trust Lands administrator, says that goal is not always possible. "Land in western Montana is becoming more and more expensive," he says. "We can get more value for the dollar by acquiring property in the eastern part of the state."

In 2006 and 2007, the program sold 19,189 school trust acres, almost all of it inaccessible to the public, for a total of \$10.7 million. Combined, the tracts had been netting \$24,996 per year in leases, an average annual return of 0.8 percent. The DNRC used \$9 million of the proceeds to acquire 24,290 acres, including the Tongue River Ranch, that will net roughly \$188,197 per year from leases, or a 1.69 percent rate of return. "Revenue will substantially increase, and the public has an additional 24,000-plus acres for recreation," says Schultz. In addition, says DNRC director Mary Sexton, "consolidating parcels will make it easier to manage for traditional purposes such as grazing and also for wildlife habitat."

Like many of the acquired properties, the Tongue River Ranch will remain in production with grazing and cropland leases. "Ranchland stays in ranching and new access is opened up in eastern Montana," says Schweitzer. "Add to that the increased revenue for Montana's school kids, and everybody gets something."

In addition to the Tongue River acquisition, the DNRC has purchased an 897-acre ranch in Cascade County, a 530-acre ranch in Valley County, 2,480 acres of timber land in the Blackfoot River watershed in Powell and Lewis and Clark counties, and 1,842 acres of agricultural and grazing land in Fergus County. The Land Banking Program has been authorized through 2011 and appears on track to reach the cap of 100,000 acquired acres. The Montana Board of Land Commissioners, chaired by Schweitzer, decides which lands are acquired and sold.

FWP staff work closely with Schultz and others in the Land Banking Program to nominate lands containing prime wildlife habitat and offering public recreational opportunities. "The Land Banking Program dovetails well with the programs we do for access and habitat," Hagener says. He adds that the two agencies are working on a joint acquisition of a 5,000-acre ranch along the Milk River that would use funds from Habitat Montana and revenue from school trust land sales. Sexton says the acquisition, along with others in the Land Banking Program, will have lasting value for future generations. "It leaves a legacy for schools and a legacy for outdoors recreationists," she says. 🐾



**PRAIRIE OASIS** The Tongue River Ranch includes upland pasture, rolling prairie badlands, and riparian areas that provide great wildlife habitat.

Tom Dickson is editor of Montana Outdoors.



**SQUEEZING THE MOST FROM THE BLUE SQUARES** On land ownership maps, state school trust lands show up as blue squares, usually sections 16 and 36 in each township. Though open to public recreation since 1991, many of these parcels are surrounded by private property. The Land Banking Program sells isolated tracts and then uses the proceeds to buy new school trust parcels that produce more revenue for schools and provide public access for hunting and other recreation. In many cases, the new school trust parcels also contain more habitat for pheasants, sharptails, big game, songbirds, raptors, and other wildlife.

